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## Keep Your Friends Close: A Framework for Addressing Rights to Social Media Contacts

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# Keep Your Friends Close: A Framework for Addressing Rights to Social Media Contacts

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## I. INTRODUCTION

A group of entrepreneurial recent college graduates starts a tutoring and test prep company focused on helping promising high school students get an edge on their college applications. Since the cost of print advertising exceeds the group’s budget, they each actively promote the business on their personal social media accounts, garnering their first clients. They also create company accounts on Facebook, LinkedIn, and Twitter, which clients join for easy, direct communication and quick access to information. Though all the

founders contribute occasional posts and encourage their personal social media contacts to join the company accounts, one eventually becomes, in practice if not in name, the primary manager of the company's social media activity.

But soon the founders begin to differ over the direction in which their burgeoning business should grow. Eventually the social media manager leaves to start a competing tutoring and test prep company. She immediately changes both the name on the social media accounts to the name of her new company and the passwords of each account to ensure that her former associates cannot access them.

Who has the superior rights to the contacts that these social media sites facilitate? All of the original founders cultivated the company's social media contact list by promoting it on their personal accounts. Yet one of them in particular actually maintained the company accounts, engaged with their followers, and actively sought out new contacts. In hindsight, the company should have articulated a clear social media policy, but the founders were preoccupied with more salient concerns about their fledgling business. Though only hypothetical, this scenario is hardly inconceivable, especially given social media's increasing importance to businesses both large and small.

Social media now pervade not only individuals' personal lives but also professional and business spheres. Companies of all sizes have discovered that a social media presence is practically a necessity to compete in nearly any industry. Some companies now hire employees specifically to manage their social media accounts, tasking them with such duties as updating information, holding online promotions, or communicating directly with clients or customers. Even so, the line demarcating individuals' identities and personal relationships from their employment identities and professional relationships is not always clear.<sup>1</sup>

Because of the unique nature of social media, this question does not fit neatly into existing legal boxes. Categorical intellectual property regimes designed to protect original works or unique inventions do not directly address access to a group of existing or potential customers. Even the law of trade secrets, though seemingly more adaptable than other intellectual property regimes, only partially addresses businesses' varied uses of social media. The amorphous boundary between an individual's professional and

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1. See Zoe Argento, *Whose Social Network Account? A Trade Secret Approach to Allocating Rights*, 19 MICH. TELECOMM. TECH. L. REV. 201, 204-05 (2013) (discussing how social media blurs personal and professional roles).

personal personas on social media conflates public and private spheres, thereby placing the interests of employees, employers, and the public at issue. However, where this boundary falls may vary widely in each social media case and therefore warrants a fact-specific inquiry that accounts for the unique context of social media.

This Note will suggest a framework for addressing the challenges posed by the question of rights to employment-related social media accounts and, more particularly, their contacts. Part II will introduce social media sites. In particular, it will discuss three major examples of social media sites, their value in the employment context for the various parties involved, and how they blur a company's persona with that of the individual maintaining the account. Part III will examine and evaluate potential legal frameworks for conceptualizing and resolving this issue. In particular, it will examine areas of intellectual property law that previously resolved similar questions of rights to intangible property as between an employer and employee. Finally, Part IV will suggest a resolution by drawing on the usage of flexible principles of agency law in intellectual property regimes. It imports patent law's shop-right rule and hired-to-invent doctrine to determine and assign rights to a social media account and its followers.

Throughout, this Note will focus on the so-called big three<sup>2</sup> social media sites: Facebook, LinkedIn, and Twitter. Among the most popular<sup>3</sup> and oldest<sup>4</sup> ongoing social media sites, these three are more likely to be both familiar to readers and the focus of future litigation, in addition to demonstrating some of the most common features of social media.

## II. "YOU ARE WHAT YOU TWEET":<sup>5</sup> A SOCIAL MEDIA PRIMER

Within only the past decade, a shift has occurred in how people use social media sites. They achieved their first wave of popularity by appealing to individuals, providing a platform that reflected and

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2. Kelly Dingee, *Who Do Your Tweets Represent? You? Or Your Employer?*, FISTFUL OF TALENT (Jan. 24, 2011), <http://fistfuloftalent.com/2011/01/personal-branding-management-lesson-2-from-a-stalkerahemsource.html>, *archived at* <http://perma.cc/5RDY-B9NU>.

3. *See Top Sites*, QUANTCASE, <https://www.quantcast.com/top-sites>, *archived at* <http://perma.cc/5P7G-RL6T> (last visited Jan. 13, 2014) (ranking Facebook, Twitter, and LinkedIn in the top twenty most popular websites as measured by number of visitors per month; four other social media sites rank among the top twenty).

4. *See* danah m. boyd & Nicole B. Ellison, *Social Network Sites: Definition, History, and Scholarship*, 13 J. COMPUTER-MEDIATED COMM. 210, 212 (2007).

5. *Terms of Service*, TWITTER, <https://twitter.com/tos>, *archived at* <http://perma.cc/H9N3-H9T8> (last visited Feb. 21, 2014).

enhanced existing real-life relationships by facilitating online communication and interaction.<sup>6</sup> Over time, as social media grew ever more popular and varied, businesses began to use them to interact with existing customers and attract new ones.<sup>7</sup> Social media sites accordingly adapted to suit the needs of companies, which differed from the personal needs of individuals.

Broadly, a social networking site is one that enables users to “(1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system.”<sup>8</sup> An examination of each of these features in Facebook, Twitter, and LinkedIn helps explain exactly what is at stake in determining rights to social media connections.

### A. Facebook

Facebook offers two versions of public profiles: the Personal Timeline (or “Profile”) and the Page.<sup>9</sup> The former provides a forum for individual users and cannot be used “primarily for [the user’s] own commercial gain.”<sup>10</sup> It accommodates broad personal information including name, basic demographic information, educational and job history, and personal interests.<sup>11</sup> Pages, on the other hand, are designed for “business[es], brand[s] or product[s]”<sup>12</sup> to post company information, promote upcoming events, and communicate with the public.<sup>13</sup> Facebook permits multiple users to access and manage

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6. Argento, *supra* note 1, at 209; see Tiffany A. Miao, *Access Denied: How Social Media Accounts Fall Outside the Scope of Intellectual Property Law and into the Realm of the Computer Fraud and Abuse Act*, 23 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1017, 1021 (2013).

7. Argento, *supra* note 1, at 209; Miao, *supra* note 6, at 1022.

8. See boyd & Ellison, *supra* note 4, at 211.

9. *Pages Basics*, FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/>, archived at <http://perma.cc/7RF5-B6EX?type=image> (last visited Feb. 21, 2014).

10. *Statement of Rights and Responsibilities*, FACEBOOK, <https://www.facebook.com/legal/terms>, archived at <http://perma.cc/C5L9-LEA3?type=source> (last visited Feb. 21, 2014); *How Are Pages Different from Personal Timelines?*, FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/www/217671661585622>, archived at <http://perma.cc/5SPJ-X83U?type=image> (last visited Feb. 21, 2014).

11. *Timeline*, FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/467610326601639/>, archived at <http://perma.cc/E8DP-D6KG?type=image> (last visited Feb. 21, 2014).

12. *Should I Create a Page or Allow People to Follow My Public Updates from My Personal Account?* FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/www/203141666415461?rdhrc>, archived at <http://perma.cc/D9ME-BGJ4?type=image> (last visited Feb. 21, 2014).

13. *How Are Pages Different From Personal Timelines?*, *supra* note 10.

Pages<sup>14</sup> but requires managers to have personal Profiles.<sup>15</sup> Logging on to the Page requires logging on to one's Profile.<sup>16</sup> Both Pages and Profiles allow users to post news articles, photos, or comments that are publicly visible.

Facebook Profiles and Pages have different mechanisms for creating links to other users. For individual users to connect (by "friending" each other), both parties must consent.<sup>17</sup> Individual users connect with (become "fans" of) Pages simply by pushing a "like" button;<sup>18</sup> the Page manager's consent is not required.<sup>19</sup> Facebook gives individual users access to friends' profiles and Pages' information. "Friends" and "fans" automatically receive updates about their connections, such as new status updates or posts to a Page, what their connections have "liked," and events that individuals are attending or that businesses are planning, among other things.

Facebook can provide businesses with valuable information based on their lists of contacts. In addition to providing Page administrators with demographic data about their fans,<sup>20</sup> Facebook measures users' "engagement" with a Page.<sup>21</sup> For example, it records how many fans like and comment on a post and provides information about the time and location of fan activity. Thus, Pages' contacts help businesses gauge the effectiveness of various messages.<sup>22</sup> Furthermore, contacts beget contacts: when a user sees that a friend likes a Page, that user may investigate the business and like it herself.<sup>23</sup> In addition, Facebook provides a platform for people with common interests to converge and a mechanism for their existing contacts to see what they are doing, and participate as well, extending the network of people affiliated with a particular group or person. Thus, a list of contacts provides a direct and nearly instantaneous means of communication to the audience most likely to be interested

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14. *Id.*

15. *Id.*

16. *Id.*

17. *Finding Friends*, FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/336320879782850/>, archived at <http://perma.cc/QBG2-F28X?type=image/> (last visited Sept. 23, 2014).

18. *How Are Pages Different from Personal Timelines*, *supra* note 10.

19. *Id.*

20. *Likes, Reach, and Engagement*, FACEBOOK DESKTOP HELP, <https://www.facebook.com/help/355635011174004>, archived at [http://perma.cc/FQC4-7J7E?type =image](http://perma.cc/FQC4-7J7E?type=image/) (last visited Sept. 29, 2014).

21. *Id.*

22. *Id.*

23. Argento, *supra* note 1, at 210–11.

in the message.<sup>24</sup> Finally, Facebook humanizes businesses both by attracting attention to them via users' existing personal connections and by allowing Page managers to post conversational messages in an informal setting.<sup>25</sup>

Despite creating distinct platforms for individual users and businesses, Facebook's personal and professional use blurs organically.<sup>26</sup> A third-party guide for businesses using Facebook tells readers that, to get the most out of the site, they should be "transparent and authentic" because "people like to connect with people, not faceless brands."<sup>27</sup> It stresses that "it is these *personal connections* that will lead to business, referrals, and word-of-mouth marketing."<sup>28</sup> In fact, despite Facebook's efforts to help businesses promote themselves, data indicate that Pages are not the best way to communicate with customers.<sup>29</sup> Although Pages can improve visibility when businesses pay for Facebook advertising, this obviates the advantage of free and broadly disseminated publicity that social media offer to small or new businesses without large advertising budgets.<sup>30</sup> Such businesses might find it more beneficial to promote themselves exclusively through their employees' profiles.

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24. *Facebook Basics: Facebook Can Help You Reach All the People who Matter Most to Your Business*, FACEBOOK FOR BUSINESS, <https://www.facebook.com/business/overview>, archived at <http://perma.cc/BL85-XMBN> (last visited Sept. 29, 2014) ("Your Page can help you reach large groups of people frequently, with messages tailored to their needs and interests.").

25. Argento, *supra* note 1, at 214–15.

26. See *id.* at 215–22 (discussing why and how this occurs); Elise Wile, *Good Ways To Invite Friends to Your Business Facebook Page*, SMALLBUSINESS.CHRON.COM, <http://smallbusiness.chron.com/good-ways-invite-friends-business-facebook-21270.html>, archived at <http://perma.cc/L2UN-WKE3> (last visited Sept. 3, 2014) (suggesting ways for business owners to persuade existing personal friends to connect with them on Facebook).

27. HUBSPOT, *How to Use Facebook for Business* 11 (2013), available at [http://cdn2.hubspot.net/hub/53/blog/docs/facebook\\_for\\_business\\_ebook\\_hubspot.pdf](http://cdn2.hubspot.net/hub/53/blog/docs/facebook_for_business_ebook_hubspot.pdf), archived at <http://perma.cc/BRR9-KJRC> (emphasis added).

28. *Id.*

29. See Stephanie Chandler, *Should You Leave Facebook? EdgeRank Confusion, Promoted Posts, and Why Small Business Owners Are Exceedingly Frustrated*, FORBES (April 22, 2013), <http://www.forbes.com/sites/work-in-progress/2013/04/22/should-you-leave-facebook-edgerank-confusion-promoted-posts-and-why-small-business-owners-are-exceedingly-frustrated/>, archived at <http://perma.cc/3E36-JLGZ/> (noting that only five to ten percent of a Page's fans may see a post).

30. See Katie Chun, *Why Facebook Matters for Nonprofits*, THE EVALUATION EXCHANGE, Spring 2010, at 21, available at <http://www.hfrp.org/var/hfrp/storage/original/application/b09c074129f1943b4a172d23fb8542b5.pdf>, archived at <http://perma.cc/X59T-AQFZ> (explaining Facebook's usefulness for nonprofit fundraising and awareness raising in part because it is "cost-free").

*B. Twitter*

Twitter profiles only require a username (“handle”) but give users the option of posting profile photos, their locations, affiliated websites, and brief bios.<sup>31</sup> Twitter users communicate in “tweets,” “short, disconnected messages”<sup>32</sup> of no more than 140 characters.<sup>33</sup> To create lists of contacts, users “follow” other users, whether people with whom they have offline relationships, organizations, or celebrities.<sup>34</sup> Unless the user has activated certain privacy settings, this does not require consent of the user being followed.<sup>35</sup> Once connected, a follower automatically receives the followed user’s tweets. The followed user only receives the first follower’s tweets if she, in turn, follows that person.<sup>36</sup> The names of both whom a user follows and who follows any particular user are public. Unlike Facebook, Twitter does not provide broad personal information about users. Instead, it provides a direct channel of communication to people who have already demonstrated their interest in another user (whether because of that user personally or that user’s association with a particular entity) by electing to follow that user’s account. Furthermore, followers can “retweet” other users’ posts so that the posts appear on their pages, visible to their own followers. This provides an opportunity for publicity and for attracting new followers who may, in turn, become customers.

Twitter encourages use by both individuals and businesses without distinguishing between the types of accounts it offers to each.<sup>37</sup> In fact, Twitter’s own instructions indicate that it is most valuable when users successfully blend their public and personal selves, advising users that “[w]hat you say [and] how you say

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31. *New User FAQs*, TWITTER HELP CENTER, <https://support.twitter.com/groups/50-welcome-to-twitter/topics/203-faqs/articles/13920-new-user-faqs#>, archived at <http://perma.cc/EB9U-25YH?type=source> (last visited Feb. 21, 2014).

32. Charlene Kingston, *How to Use Twitter for Business and Marketing*, SOCIAL MEDIA EXAMINER, <http://www.socialmediaexaminer.com/how-to-use-twitter-for-business-and-marketing/>, archived at <http://perma.cc/RFL9-B3E4> (last visited Feb. 21, 2014).

33. *New User FAQs*, *supra* note 31.

34. *Id.*

35. *Id.*

36. *Getting Started with Twitter*, TWITTER HELP CENTER, <https://support.twitter.com/articles/215585#>, archived at <http://perma.cc/TN3B-MK7Y?type=source> (last visited Sept. 23, 2014).

37. See *Terms of Service*, *supra* note 5 (providing for the user to “accept[ ] these Terms and us[e] the Services on behalf of a company, organization, government, or other legal entity”).



it . . . [has] a tremendous impact on customer relationships”<sup>38</sup> and that they should ensure their “content and interaction stays authentic and conversational.”<sup>39</sup> It even urges companies not to “be afraid to let [their] personalit[ies] come through, or [those] of [their] employees,” and suggests that, since employees may have personal accounts, the business owner can “mention them when what they are tweeting about meshes nicely with [the] business’[s] interests and goals.”<sup>40</sup>

### C. LinkedIn

LinkedIn’s features mirror Facebook’s but it focuses on its users’ professional lives. Like Facebook, it offers options for two different types of users. Individuals’ personal Profiles list their current and previous employment, educational histories, and skills and expertise, among other things.<sup>41</sup> Companies can create Pages to communicate with the general public by posting general business information, job openings, and news. Like Facebook, LinkedIn provides analytical data about how its users are engaging with it.<sup>42</sup> For example, it measures how many times a LinkedIn user saw, commented on, or shared a Page update; user demographics based on categories such as industry and seniority; and trends in how a Page’s number of users has varied over time, to name a few things.<sup>43</sup> To create a contact, one user asks another to connect, and the other must accept. Once users connect, they have access to each other’s Profiles or Pages. On the other hand, individual users can connect to a business’s page without the business’s consent.

LinkedIn helps individuals promote themselves professionally and helps employers attract and engage with customers. It envisions

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38. *Establish Your Brand Personality*, TWITTER FOR BUSINESS, <https://business.twitter.com/establish-your-brand-personality>, archived at <http://perma.cc/3P7D-86PG?type=source> (last visited Feb. 21, 2014).

39. *Work with Others*, TWITTER FOR BUSINESS, <https://business.twitter.com/work-others>, archived at <http://perma.cc/KC34-SDPL?type=source> (last visited Feb. 21, 2014).

40. TWITTER FOR BUSINESS, *Twitter for Small Business: A Guide to Get Started* 7, available at [https://g.twimg.com/business/pdfs/Twitter\\_Smallbiz\\_Guide.pdf](https://g.twimg.com/business/pdfs/Twitter_Smallbiz_Guide.pdf), archived at <http://perma.cc/Q76L-VQLQ>.

41. See LINKEDIN, <https://www.linkedin.com/>, archived at <http://perma.cc/4RF9-6HUK?type=image> (last visited Sept. 29, 2014).

42. *Viewing Analytical Data About Your Company or Showcase Page*, LINKEDIN HELP CENTER, [http://help.linkedin.com/app/answers/detail/a\\_id/4499](http://help.linkedin.com/app/answers/detail/a_id/4499), archived at <http://perma.cc/976S-NTK9?type=image> (last visited Sept. 29, 2014).

43. *Analytics Tab for Company Pages*, LINKEDIN HELP CENTER, [http://help.linkedin.com/app/answers/detail/a\\_id/26032/ft/eng](http://help.linkedin.com/app/answers/detail/a_id/26032/ft/eng), archived at <http://perma.cc/ZV37-SV6Z?type=image> (last visited Sept. 23, 2014).

use primarily by individuals, rather than corporate entities,<sup>44</sup> although it acknowledges that users may access it on behalf of a business.<sup>45</sup> When the business's employees manage Pages, those employees' personalities and creative choices combine with the company's reputation to attract connections and potential clients. Someone researching a company can look at both the company's Page and the personal pages of its employees, even if that person is not connected to the employees.<sup>46</sup> Conversely, a user may want to connect with an individual because of that individual's affiliation with a particular business. As one user described her LinkedIn experience, "[E]ngaging in conversation . . . has increased my visibility, which is great for [my employer] as well."<sup>47</sup> However, unlike on Facebook, LinkedIn users do not generally engage in regular public posts; rather, the focus is on maintaining an updated Profile or Page and engaging in one-on-one conversations.

Like Twitter, LinkedIn's own advice to businesses on maximizing their use of the site blurs the line between personal and professional use. It tells users: "In the world of small business, the lines between personal and company branding is thin[.] Your company's brand is your brand[.]"<sup>48</sup> It urges businesses to encourage their employees to connect their Company Pages to their LinkedIn or other social media profiles.<sup>49</sup> Thus, a user looking for someone with a particular skill set might come across an individual's profile, notice the link to that person's Company Page, and become a customer of the company thanks, ultimately, to the attributes of the individual employee.

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44. See *User Agreement*, LINKEDIN, <http://www.linkedin.com/legal/user-agreement>, archived at <http://perma.cc/99UZ-P2M8?type=source> (last visited Sept. 3, 2014) ("To be eligible to use [LinkedIn], you must . . . only maintain one LinkedIn account at any given time; . . . use your real name . . ."); see also *id.* ("As a condition to access LinkedIn, you agree to . . . [u]se your real name on your profile. . . . Don't undertake the following[.] . . . Publish inaccurate information in the designated fields on the profile form . . . [or c]reate a Member profile for anyone other than a natural person . . .").

45. See *id.* ("If you are using LinkedIn *on behalf of a company or other legal entity*, you are nevertheless individually bound by this Agreement . . .") (emphasis added).

46. Jennifer Beese, *How Business Can Use LinkedIn to Amplify Their Brands*, SPROUT SOCIAL (Sept. 6, 2013), <https://sproutsocial.com/insights/2013/09/linkedin-amplify-brand-tips/>, archived at <http://perma.cc/FP2B-Q93B> (emphasis added).

47. Heather Caliendo, *Businesses Turn to Twitter for Networking, Feedback from Clients*, THE J. REC. (Mar. 23, 2009), available at <http://www.littlefield.us/news/businesses-turn-twitter-networking-feedback-clients>, archived at <http://perma.cc/85XM-9QZ7>.

48. David Schneider, *20 Tips to Amplify Your Brand on LinkedIn [Slideshow]*, OFFICIAL LINKEDIN BLOG (Sept. 5, 2013), <http://blog.linkedin.com/2013/09/05/20-tips-to-amplify-your-brand-on-linkedin-slideshow/>, archived at <http://perma.cc/U9VG-4TGS?type=source> (quoting the slide show).

49. *Id.*

These illustrations indicate certain commonalities among social media sites. The value of the list of contacts associated with a social media account depends in part on the individual attributes or personality of the employee or employees managing the account. For example, on LinkedIn a recruiter may find a profile interesting based on its owner's personal achievements as well as its presentation. A Twitter user may gain a following by becoming known for her insightful comments on a particular subject or unique sense of humor.<sup>50</sup> Furthermore, while each site provides different kinds of information about a user's contacts, any social media contact list amounts to more than a mere series of names. The difficulty of assessing the value of social media contacts is due, in part, to the impossibility of divorcing the contacts from the account itself, which is what provides direct communication with, and access to, a group of people most likely to be interested in the communication. Social media accounts also provide varying degrees of ancillary information, such as demographics, location, and work experience, among other things, which can be enormously helpful in developing a marketing plan.<sup>51</sup> Finally, social media humanizes what otherwise could be an impersonal corporate entity, making it more approachable to customers.

### III. ADDRESSING RIGHTS TO SOCIAL MEDIA FOLLOWERS WITH INTELLECTUAL PROPERTY FRAMEWORKS

Corporate social media users can preemptively resolve the question of rights to a social media account's followers by addressing it in employment contracts or company policies. However, young companies, perhaps the most likely to rely on social media, may not have social media policies, or even formal employment contracts, in place. Moreover, while awareness of social media's many potential pitfalls has grown in the workplace, the response focuses almost exclusively on defining employees' privacy rights over personal social media accounts or personal account access while at work. Therefore, if

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50. An example in the legal community of an otherwise private person who has gained public attention due to his Twitter use is Judge Stephen Dillard of the Court of Appeals of Georgia, who has been called a "Twitter icon" for tweeting thoughts such as "Dillard, J., consciously uncoupling from the majority opinion." David Lat, *Best Parenthetical Ever?*, ABOVE THE LAW (Mar. 28, 2014), <http://abovethelaw.com/2014/03/best-parenthetical-ever/>, archived at <http://perma.cc/QE3J-BGDR>; Joe Patrice, *Non-Sequiturs 5.20.14*, ABOVE THE LAW (May 20, 2014), <http://abovethelaw.com/?s=judge+dillard>, archived at <http://perma.cc/4KVQ-ZF23>. Judge Dillard's Twitter page is available at <https://twitter.com/JudgeDillard>.

51. See *Likes, Reach, and Engagement*, *supra* note 20; *Viewing Analytical Data*, *supra* note 42.

they exist at all, social media policies may not address the issue of rights to social media contacts.

While the growth of social media clearly raises complex new issues, this is not the first time that the legal system has struggled to accommodate concurrent personal and professional rights to intangible interests. This Part explores how the law has previously resolved similar problems and how those resolutions might apply to the issue of rights to social media followers.

### A. Trade Secrets

At first glance, the issue of social media account followers appears to fall neatly into trade secrets law, especially as it relates to customer or client lists. Indeed, a few complaints alleging trade secrets infringement for using a social media contact list have survived motions to dismiss or for summary judgment.<sup>52</sup> However, as this Part will show, the trade secrets framework, while providing attractive fact-specificity, does not directly address the problem.

The Uniform Trade Secrets Act (“UTSA”) offers an outline of the typical approach to trade secrets among the states. The Uniform Trade Secrets Act § 1(4) (amended 1985),<sup>53</sup> which forty-six states have adopted in some form,<sup>54</sup> defines a trade secret as:

Information, including a formula, pattern, compilation, program, device, method, technique, or process, that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.<sup>55</sup>

Most courts use a variation of the factor test promulgated in the Restatement of Torts § 757 cmt. b (1939) to determine whether a trade secret exists:

(1) the extent to which the information is known outside the particular business, (2) the extent to which it is known by employees and others involved in the particular business,

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52. See *PhoneDog v. Kravitz*, No. C 11-03474 MEJ, 2012 WL 273323, at \*1 (N.D. Cal. Jan. 30, 2012) (*PhoneDog II*); *Christou v. Beatport, LLC*, 849 F. Supp. 2d 1062, 1075 (D. Colo. 2012); *infra* Part III.A.3.

53. The Restatement of Torts § 757 cmt. b (1939) and Restatement (Third) of Unfair Competition § 43 (1995) also define Trade Secret in manners similar, though not identical, to the UTSA definition. See generally Ari B. Good, *Trade Secrets and the New Realities of the Internet Age*, 2 MARQ. INTELL. PROP. L. REV. 51 (1998) (extrapolating on the different definitions). However, because the UTSA was promulgated in the interest of creating nationwide uniformity in the definition of trade secrets, and because it has now been adopted by forty-seven states, it alone will be discussed here.

54. See Erini R. Svokos, *What About the Client?*, 24 GEO. J. LEGAL ETHICS 937, 940 (2011) (“This act has been enacted in whole in all but four states.”).

55. UNIF. TRADE SECRETS ACT § 1(4) (amended 1985).

(3) the extent of measures taken by the particular business to guard the secrecy of the information, (4) the value of the information to the particular business and to its competitors, (5) the amount of effort or money expended by the particular business in developing the information, and (6) the ease or difficulty with which the information could be properly acquired or duplicated by others, in determining the existence of a trade secret.<sup>56</sup>

The UTSA defines misappropriation of trade secrets, in relevant part, as “[d]isclosure or use of a trade secret of another without express or implied consent” by someone who either learned the trade secret through improper means or “knew or had reason to know” that she learned the trade secret “under circumstances giving rise to a duty to maintain its secrecy or limit its use . . . .”<sup>57</sup>

Trade secrets apply most obviously to technical information or methods, the most famous perhaps being Coca-Cola’s syrup recipe.<sup>58</sup> Thus, much of what trade secrets law protects, patent law would also protect.<sup>59</sup> However, trade secrets law reaches a broader field of subject matter than patent law,<sup>60</sup> including nontechnical information such as, in some circumstances, customer lists.<sup>61</sup> More obviously, unlike patent law, trade secrets law does not require public disclosure of the information at issue; quite the contrary, it requires that information be secret.<sup>62</sup>

Trade secrets law is premised on a number of legal theories, including tort, contract, property, and fiduciary duties grounded in agency law.<sup>63</sup> While courts’ analyses rely on each of these theories in

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56. Jasmine McNealy, *Who Owns Your Friends?*, 39 RUTGERS COMPUTER & TECH L. J. 30, 37 (2013).

57. UNIF. TRADE SECRETS ACT § 1(2) (emphasis added).

58. MICHAEL D. SCOTT, SCOTT ON MULTIMEDIA LAW § 7.01 (Wolters Kluwer ed., 3d ed. 2008 & Supp. 2009–2013).

59. *Id.*

60. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 484–85 (1974) (“Trade secret law will encourage invention in areas where patent law does not reach . . . . [T]he public is not deprived of the use of valuable, if not quite patentable, invention.”).

61. RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 42 cmt. F (1995) (“The general rules that govern trade secrets are applicable to the protection of information relating to the identity and requirements of customers.”); *see also, e.g.*, *Am. Credit Indem. Co. v. Sacks*, 262 Cal. Rptr. 92 (Cal. Ct. App. 1989) (creditor insurance underwriter’s customer list); *Stampede Tool Warehouse, Inc. v. May*, 651 N.E.2d 209 (Ill. App. Ct. 1995) (automotive tools distributor’s customer list); *Fred Siegel Co., L.P.A. v. Arter & Hadden*, 707 N.E.2d 853 (Ohio 1999) (law firm client list).

62. *See* UNIF. TRADE SECRETS ACT § 1(4) (amended 1985).

63. *See* Charles Tait Graves, *Trade Secrets as Property: Theory and Consequences*, 15 J. INTELL. PROP. L. 39, 41 (2007); Mark A. Lemley, *The Surprising Virtues of Treating Trade Secrets as IP Rights*, 61 STAN. L. REV. 311, 319–28 (2008) (considering the viability of each theory in turn); *see also* *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1003–04 (1984) (holding that trade secrets constitute property entitled to protection under the Takings Clause); Francisco J. Morales, Comment, *The Property Matrix: An Analytical Tool to Answer the Question, “Is This Property?”*, 161 U. PA. L. REV. 1125, 1154–55 (2013).

ways that vary over time and across jurisdictions,<sup>64</sup> the last two seem the most prevalent.

### 1. Trade Secrets as Property

The property theory focuses on the actual value of information, which directly depends on its secrecy.<sup>65</sup> Providing redress for misappropriation of trade secrets also reflects the property theory's goal of encouraging investment in developing valuable information.<sup>66</sup> In addition, protecting against the threat of theft encourages companies to disclose information to those employees who can most efficiently use it, while reducing the costs the employer would have to expend to ensure secrecy absent legal protection.<sup>67</sup>

The metes and bounds of a trade secret are measured by its secrecy and, closely related, its value to its holder.<sup>68</sup> The first three factors of the Restatement's test measure the degree of the information's secrecy.<sup>69</sup> A court will only provide redress for misappropriation if the information's holder took affirmative steps to keep it confidential.<sup>70</sup> Unlike patent or copyright law,<sup>71</sup> under which an author or inventor has exclusive rights over information that is or will become public,<sup>72</sup> trade secrets law confers a right of exclusivity only as long as the holder maintains the information's secrecy.

Thus, the parameters of a trade secret are not fixed but may vary with how well the secret owner guards the information and how much of it she guards.<sup>73</sup> As the Supreme Court has recognized, "the extent of the property right . . . is defined by the extent to which the owner of the secret protects his interest from disclosure to others."<sup>74</sup> Since different information requires—and different industries offer—

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64. Graves, *supra* note 63, at 46–57 (describing cases in which courts applied primarily either the property or "relational" (fiduciary duty) theories, and how those theories influenced the outcome of the cases); Lemley, *supra* note 63, at 324–25.

65. Good, *supra* note 53, at 64.

66. Lemley, *supra* note 63, at 319, 329–32.

67. *Id.* at 334.

68. Good, *supra* note 53, at 64.

69. RESTATEMENT (FIRST) OF TORTS § 757 cmt. B (1939); Good, *supra* note 53, at 64–65 (comparing the Restatement and the UTSA approaches to trade secrets).

70. Douglas R. Richmond, *Yours, Mine, and Ours: Law Firm Property Disputes*, 30 N. ILL. U. L. REV. 1, 4–5 (2009).

71. See *infra* Part III.B (discussing copyright and patent law).

72. 17 U.S.C. § 106 (2012); 35 U.S.C. § 271; see also *Sears Roebuck & Co. v. Stiffel Co.* 376 U.S. 225, 229 (1964) ("The grant of a patent is the grant of a statutory monopoly.").

73. Steven Wilf, *Trade Secrets, Property and Social Relations*, 34 CONN. L. REV. 787, 791 (2002) ("[T]rade secrets become property only if third-party access is vigilantly policed.").

74. *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1002 (1984).

varying levels of secrecy, determining whether something is a trade secret is a highly fact-driven inquiry. Information need only be subject to efforts at secrecy that are “reasonable under the circumstances,”<sup>75</sup> allowing courts wide latitude. For example, some jurisdictions recognize law firms’ client lists as trade secrets under the theory that while the clients’ identities are publicly available, their ancillary information, such as contact information or billing rates, generally is not.<sup>76</sup>

The property theory underlying trade secrets law also requires the information at issue to confer independent economic value to its holder.<sup>77</sup> The value and secrecy aspects are intertwined because the value must both derive from being secret and give the information’s holder a competitive economic advantage.<sup>78</sup> While information that is generally known in an industry may be valuable to all businesses in that industry, it does not give any one business an edge over another and thus does not merit trade secrets protection.<sup>79</sup> It may be well known within an industry that a particular product appeals to a certain demographic, so companies may tell their social media managers to seek out that demographic. Since the information is generally known, trade secrets law would not prevent the employee from seeking out the same demographic on behalf of a subsequent competitor employer.

The last three factors of the Restatement’s trade secrets test address this value aspect.<sup>80</sup> The effort or money expended in compiling the list and the ease or difficulty of replication<sup>81</sup> are relevant to this part of the inquiry in certain trade secrets cases, particularly cases determining whether customer lists are trade secrets.<sup>82</sup> Some courts have given weight to these factors when applying a trade secrets

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75. UNIF. TRADE SECRETS ACT § 1(4)(ii) (amended 1985).

76. Sarah Osborn Hill, *I Quit and I am Taking My Patents with Me!*, 53 FED. LAW., MAY 2006, at 12.

77. UNIF. TRADE SECRETS ACT § 1(4)(i).

78. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 475 (1974); Good, *supra* note 53, at 68.

79. Good, *supra* note 53, at 68.

80. See RESTATEMENT (FIRST) OF TORTS § 757 cmt. b (1939).

81. *Id.*

82. See, e.g., *Xerox Corp. v. O’Dowd*, No. 3:06-0434, 2006 WL 3053408 (M.D. Tenn. Oct. 26, 2006); *Webcraft Techs., Inc. v. McCaw*, 674 F. Supp. 1039 (S.D.N.Y. 1987) (discussing the importance of customer lists); *Arnold’s Ice Cream Co. v. Carlson*, 330 F. Supp. 1185 (E.D.N.Y. 1971) (holding a customer list a trade secret because significant effort, advertising, time, and money were expended to assemble the list); *Morlife, Inc. v. Perry*, 66 Cal. Rptr. 2d 731 (Cal. Ct. App. 1997) (holding that customer lists were of economic value and were generally not known to the public); *Al Minor & Assoc., Inc. v. Martin*, 881 N.E.2d 850 (Ohio 2008) (holding that the employer’s client list was a trade secret, and was therefore UTSA protected).

analysis to social media contacts.<sup>83</sup> When courts grant customer lists trade secrets protection, they often stress the length of the customer list at issue; the longer and more complex the list, the more it merits protection.<sup>84</sup> While courts may well recognize that a short list of select clientele may have great economic value to a particular business, trade secrets law focuses on value as a product of secrecy. Thus, trade secrets law would generally only offer protection to client lists that would be difficult for a competitor to reproduce.

The secrecy and closely related value requirements pose the first obstacle to treating social media account contact lists as trade secrets, despite the broad secrecy standard. By design, secrecy is not a necessary attribute of social media. Since its value derives from providing visibility, information, and an efficient channel of communication with existing and potential customers, the company benefits when the contact list is *not* secret. For example, social media users may learn about a company and decide to follow it when they see that one of their connections is following it.

In addition to the property theory underlying trade secrets law, courts often cite theories of common-law fiduciary duties in trade secrets cases. From this perspective, trade secrets law provides redress for unfair competition or unjust enrichment, while still encouraging competition. The UTSA accomplishes these dual objectives by targeting those who have a duty to protect the trade secret but allowing third parties to discover the information independently with impunity.<sup>85</sup>

## 2. Trade Secrets and Fiduciary Duty

Under a fiduciary duty theory, trade secrets merit protection because divulging them violates the employment relationship. Chief Justice Holmes stressed this concept in the seminal trade secrets case *E.I. Du Pont De Nemours Powder Co. v. Masland*:

Whether the plaintiffs have any valuable secret or not the defendant knows the facts . . . through a special confidence that he accepted. *The property may be denied, but the confidence cannot be.* Therefore, the starting point for the present matter is not

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83. *Christou v. Beatport, LLC*, 849 F. Supp. 2d 1062, 1076 (D. Colo. 2012); *Eagle v. Morgan*, No. 11-4303, 2011 WL 6739448, at \*10 (E.D. Pa. Dec. 22, 2011) (*Eagle I*).

84. Robert W. Hillman, *The Property Wars of Law Firms: Of Client Lists, Trade Secrets and the Fiduciary Duties of Law Partners*, 30 FLA. ST. U. L. REV. 767, 774 (2003).

85. Lemley, *supra* note 63, at 322.



property . . . but that the defendant stood in confidential relations with the plaintiffs, or one of them.<sup>86</sup>

Thus, among the frequently cited policy rationales behind trade secrets law is the maintenance of commercial ethics.<sup>87</sup> The UTSA's definition of misappropriation of a trade secret further reflects this concern: sections 1(4)(ii)(B)(II) and (III) find misappropriation in situations involving a *duty* to maintain secrecy or limit use of the information.

Because a duty to maintain the secrecy of social media contacts only arises out of certain relationships, this aspect of trade secrets law is particularly inapt to apply to social media contact list ownership. The very difficulty is that it is so often unclear whether an employee takes action on social media in her personal capacity, as opposed to her professional capacity. Trade secrets law itself does not provide a method for determining whether the relationship between the parties claiming rights to social media contacts is such that it creates a duty not to appropriate those contacts. To resolve this, courts look elsewhere, such as to contract and agency law, to determine the nature of the relationship.<sup>88</sup>

### 3. Trade Secrets in the Internet Age: How Courts Have Treated Social Media Contact Lists

In the few cases to arise on the issue of rights to social media contacts so far, courts have emphasized different aspects of trade secrets law to fit it to the social media contacts inquiry. The court in *Christou v. Beatport*, emphasized the length and complexity of a list of social media contacts.<sup>89</sup> Regas Christou founded a number of nightclubs in Denver, some of which gained national recognition in the electronic dance music community.<sup>90</sup> His employees included Bradley

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86. *E.I. Du Pont De Nemours Powder Co. v. Masland*, 244 U.S. 100, 102 (1917) (emphasis added); see also Dan L. Burk, *Colloquium: Intellectual Property and the Firm*, 71 U. CHI. L. REV. 3, 3, 11 (2004) (“[A]t best [trade secrecy] confers an incomplete property right . . . only as against a limited number of individuals that stand in a *confidential relationship* with the proprietor.”) (emphasis added).

87. *E.g.*, *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 481 (1974) (“The maintenance of standards of commercial ethics and the encouragement of invention are the broadly stated policies behind trade secrets law.”); *Fred Siegel Co. v. Arter & Hadden*, 707 N.E.2d 853, 862–63 (Ohio 1999); see also Good, *supra* note 53, at 64 (“One commentator has suggested that UTSA continues to emphasize the deterrence of reprehensible commercial conduct . . .”).

88. See Lemley, *supra* note 63, at 327 (arguing that courts rely on a vague idea of “emergent consensus . . . of what constitutes acceptable behavior” to decide whether the duty to maintain a trade secret has been breached).

89. *Christou v. Beatport, LLC*, 849 F. Supp. 2d 1062, 1076 (D. Colo. 2012).

90. *Id.* at 1062.

Roulier, who used MySpace, a social media site structured nearly identically to Facebook, to promote the clubs.<sup>91</sup> Roulier built MySpace profiles for certain of Christou's clubs, gathered contacts for each, and promoted the clubs on them.<sup>92</sup> While still working for Christou, Roulier co-founded Beatport, an online marketplace for downloading electronic dance music.<sup>93</sup> Beatport became not only an enormous commercial success but also an integral part of the electronic dance music industry, so that whether an album was well promoted on it could "make or break album sales."<sup>94</sup> He also opened his own nightclub.<sup>95</sup> Christou later alleged that Roulier used his ownership of Beatport to coerce DJs into performing at his venue rather than Christou's by leveraging its ability to block access to, or remove all artists on a DJ's label from, Beatport if the DJ performed at Christou's clubs rather than Roulier's.<sup>96</sup>

Christou claimed Beatport misappropriated trade secrets when Roulier used the MySpace profile log-in information and contacts, arguing that the account's friends constituted customer lists, which are trade secrets under Colorado law.<sup>97</sup> Beatport maintained that the account's friends did not constitute a trade secret because they were merely a public list of names that anyone could reproduce.<sup>98</sup> Denying Beatport's motion to dismiss the trade secrecy claim, the court emphasized that friending someone on MySpace allowed access to ancillary information that was not available publicly: friends' contact information and a means of direct contact.<sup>99</sup> It also stressed that Christou had "expended some amount of money, time, and resources into developing [the] lists for promotional purposes."<sup>100</sup> Furthermore, while Roulier could theoretically have reproduced the contacts from a separate account, this would have required contacting thousands of people, not all of whom could have been guaranteed to accept the

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91. *Id.* at 1076.

92. *Id.*

93. *Id.* at 1062.

94. *Id.* at 1063 (internal quotation marks omitted).

95. *Id.*

96. *Id.*

97. *Id.* at 1075.

98. *Id.*

99. *Id.* Plaintiffs later withdrew the trade secrets claim. *Christou v. Beatport, LLC*, No. 10-cv-02912-RBJ-KMT, 2014 WL 1293296, at \*5 (D. Colo. Mar. 31, 2014).

100. *Christou*, 849 F. Supp. 2d at 1076.

friend request.<sup>101</sup> Therefore, recreating the list exactly within a reasonable time frame was unlikely.<sup>102</sup>

On the other hand, *PhoneDog v. Kravitz*, perhaps the best-known case on this issue, focused on the economic implications of an employee's actions on a former employer. Noah Kravitz was a product reviewer at PhoneDog, a company that provided reviews and other resources for customers to research mobile carriers.<sup>103</sup> All employees, including Kravitz, had Twitter handles in the format "@PhoneDog\_[employee's first name]."<sup>104</sup> His job entailed tweeting his opinions about products, frequently linking to PhoneDog's website through his Twitter account.<sup>105</sup> Kravitz accumulated approximately seventeen thousand followers in his four and a half years of employment.<sup>106</sup> When Kravitz left the company, PhoneDog requested that he give it control of the account; instead Kravitz changed the account's handle to @noahkravitz, changed the password, and continued to post on it to promote himself and his new employer.<sup>107</sup>

PhoneDog alleged that the account's followers and log-in information constituted trade secrets.<sup>108</sup> Kravitz argued that they could not because the followers' identities were publicly available and because the password did not derive "any actual or potential independent economic value" and was merely a means of viewing already public information.<sup>109</sup> However, the court held that PhoneDog had pleaded sufficient facts to survive a motion to dismiss,<sup>110</sup> finding that Kravitz had disrupted PhoneDog's economic relationships with advertisers that provided much of PhoneDog's revenue.<sup>111</sup> Advertisers paid based on the number of page views they received from PhoneDog's website, traffic that Kravitz's Twitter account fueled.<sup>112</sup> Therefore, diverting those followers from PhoneDog's site potentially

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101. *Id.*

102. *Id.*

103. *PhoneDog v. Kravitz*, No. C 11-03474 MEJ, 2011 WL 5415612, at \*4 (N.D. Cal. Nov. 8, 2011) (*PhoneDog I*).

104. *Id.*

105. *Id.*

106. *Id.*

107. *Id.* at \*1. Kravitz's twitter feed is available at <https://twitter.com/noahkravitz>.

108. *PhoneDog I*, 2011 WL 5415612 at \*1, \*4.

109. *Id.* at \*6; *see also infra* Part III.A (discussing trade secrets law).

110. *PhoneDog I*, 2011 WL 5415612 at \*7.

111. *Id.* at \*4.

112. *Id.*

harmed PhoneDog's revenue.<sup>113</sup> However, because the parties settled out of court, it is not clear how a court would have ultimately ruled on the merits of any of these issues.<sup>114</sup>

*Sasqua Group, Inc. v. Courtney* did not directly involve social media, but discussions about rights to social media contacts have frequently cited it because of its implications for the meaning of "secret" in the internet age. Courtney was an employee of Sasqua, a financial services recruiting company that maintained a database, available only to its personnel, containing client data such as contact information, profiles, hiring preferences, and work experience.<sup>115</sup> After Courtney left to start her own recruiting company,<sup>116</sup> Sasqua alleged that she used information from its database to contact and poach its clients.<sup>117</sup> Courtney argued that it was industry practice for financial recruiters to perform searches on public databases, including social media, and that the identities of Sasqua's clients were easily available by searching such sites as LinkedIn and Facebook.<sup>118</sup>

This court reached the opposite conclusion of that in *Christou*, denying Sasqua's application for a temporary restraining order that would prevent Courtney from using the clients' information on the basis that it was a trade secret.<sup>119</sup> Emphasizing the fact-sensitivity of its inquiry, it concluded that while Sasqua maintained client information on a confidential company database, it did not take adequate steps to maintain that confidentiality.<sup>120</sup> Moreover, the court stressed that the industry practice for locating and recruiting clients meant that seeking this information independently was not excessively cumbersome.<sup>121</sup>

Similarly, in *Eagle v. Moran*, the court held that a LinkedIn account with one thousand contacts did not constitute a trade secret. Linda Eagle, co-founder of Edcomm, a banking education company, began using LinkedIn both for personal and business marketing

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113. *Id.* at \*3. PhoneDog priced each follower at \$2.50 and sought damages of \$340,000 (\$2.50 multiplied by 17,000). *PhoneDog v. Kravitz*, No. C 11-03474 MEJ, 2012 WL 273323, at \*3 (N.D. Cal. Jan. 30, 2012) (*PhoneDog II*).

114. Jasmine McNealy, *Who Owns Your Friends?* *PhoneDog v. Kravitz and Business Claims of Trade Secret in Social Media Information*, 39 RUTGERS COMPUTER & TECH. L. J. 30, 55 (2013).

115. *Sasqua Group, Inc. v. Courtney*, No. CV 10-528(ADS)(AKT), 2010 WL 3613855, at \*2 (E.D.N.Y. Aug. 2, 2010).

116. *Id.*

117. *Id.* at \*3.

118. *Id.* at \*6.

119. *Id.* at \*23.

120. *Id.* at \*5.

121. *Id.*

purposes and encouraged other employees to do the same.<sup>122</sup> Eventually the company actively involved itself in the content of employees' accounts by developing guidelines on creating and using them, including instituting requirements that they feature Edcomm emails, use an Edcomm-created template, and include a link to Edcomm's website.<sup>123</sup> Eagle gave the company the password to her account so that employees could update it on her behalf and conduct other business-related activities on it.<sup>124</sup>

Conflict arose when Sawabeh Information Services Company acquired Edcomm in 2010 and terminated Eagle's employment.<sup>125</sup> Edcomm changed the password to Eagle's account, preventing her from using it.<sup>126</sup> Although Edcomm changed the name and information on the account to that of Eagle's replacement, some of her information remained, including her contacts.<sup>127</sup> However, Eagle eventually regained control of her LinkedIn account and refused to turn over certain proprietary information on it or to provide access to its connections.<sup>128</sup> In the ensuing litigation, Edcomm alleged that these refusals constituted misappropriation of trade secrets.<sup>129</sup> The court dismissed the trade secrets claim, holding that these were not trade secrets because they were "either generally known in the wider business community or capable of being easily derived from public information."<sup>130</sup>

Collectively, these cases reveal the difficulty of applying trade secrets law to the issue of social media contacts. Decisions vary based on how a court chooses to define "secret." Furthermore, although these cases did not discuss in any detail the fiduciary duty aspect of trade secrets, the facts do not always clearly reveal whether the employee had a duty to maintain whatever secrecy attached to the account's followers. Trade secrets law does not itself provide a mechanism for determining when this duty exists. This is a particularly gray area in the world of social media, given how easy social media sites make it for personal and professional use to overlap. For example, in

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122. *Eagle v. Morgan*, No. 11-4303, 2011 WL 6739448, at \*1 (E.D. Pa. Dec. 22, 2011) (*Eagle I*).

123. *Id.* at \*3.

124. *Id.* at \*1.

125. *Id.* at \*1-2.

126. *Id.*

127. *Id.*

128. *Id.* at \*2.

129. *Id.* at \*3.

130. *Id.* at \*13. The court did suggest that there may have been enough to support a claim for misappropriation of an idea had Edcomm been able to show that it had "made a substantial investment of time, effort, and money [in] creating the . . . LinkedIn account." *Id.*

*PhoneDog*, Kravitz's duties included maintaining a Twitter presence for his employer.<sup>131</sup> However, his own imagination produced his posts and imbued them with his personal voice, which was apparently engaging enough to accumulate seventeen thousand followers.<sup>132</sup> Although trade secrets law does not offer a paradigm for separating personal and professional presences, analogous areas of intellectual property law have previously addressed problems that arise when personal and professional personas overlap.

### B. Copyrights and Patents

Broadly stated, copyright and patent law serve the purpose, like trade secrets law, of fostering originality and creativity.<sup>133</sup> However, unlike trade secrets law, which provides protection in exchange for secrecy, these regimes offer limited periods of total exclusivity in exchange for complete disclosure for the benefit of the public.<sup>134</sup> Thus, insofar as secrecy is antithetical to the value of social media contacts, the incentive structure of these forms of intellectual property may be more appropriate for the social media contacts analysis. However, copyright and patent law only protect particular subject matter and do not extend protection to social media contacts. Nevertheless, copyright and patent law have previously wrestled with reconciling competing concepts similar to those at stake in the social media contacts inquiry: on the one hand, the traditional notion that only individuals can be authors or inventors whose creations result from personal inspiration; and on the other, the reality of employment in which individuals exercise that creativity on behalf of a corporate entity.

Social media's role has shifted from personal recreation to a major business and marketing tool. The phenomenon of social media was originally meant for solely personal use among friends, often as a way to keep in touch. For example, in its infancy, Facebook required a

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131. *PhoneDog v. Kravitz*, No. C 11-03474 MEJ, 2011 WL 5415612, at \*1 (N.D. Cal. Nov. 8, 2011) (*PhoneDog I*).

132. *Id.* at \*1, \*4.

133. Joshua I. Miller, *Unknown Futures and the Known Past: What Can Patent Learn from Copyright in the New Technological Age?*, 21 ALB. L.J. SCI. & TECH. 1, 3-4 (2011). Miller notes that patent and copyright law perform "closely-related functions" and share "many similarities," including "a constitutional mandate 'to promote [p]rogress.' Each grants certain exclusive rights to the intangible fruits of human creativity and innovation, and permits owners to sue for infringement of these exclusive rights." *Id.* (citations omitted).

134. 17 U.S.C. § 302(a) (2012) (providing a copyright duration for works created after January 1, 1978, of the author's life plus seventy years after the author's death); 35 U.S.C. § 154(a)(2) (providing for a term of patent ownership of twenty years from the date of filing of the patent application).

“.edu” email address. However, over time, businesses began to recognize Facebook’s value in providing a way to connect with their customers on a more familiar, personal, and approachable level. Today, social media sites generally offer tools targeted to businesses, explaining how to attract and maintain customers through the sites. Thus, examining how intellectual property law has approached similar competing values can inform a resolution to the issue of rights to social media contacts.

### 1. Copyrights

The Copyright Act protects “original works of authorship . . . fixed in any tangible medium of expression.”<sup>135</sup> An “original” work “possess[es] at least some minimal degree of creativity.”<sup>136</sup> Copyright law grants an author the *exclusive* right to copy, distribute, and publicly perform or display the work, as well as to make derivative works.<sup>137</sup> The idea of the “author” that copyright protects is grounded in the notion that creative works are the result of an individual’s “flash of creative genius.”<sup>138</sup> As Chief Justice Holmes put it in a seminal copyright case, “[t]he copy is the *personal* reaction of an individual upon nature.”<sup>139</sup>

However, the second half of the nineteenth century saw the rise of corporations, with an attendant increase in authorship on their behalves, and a parallel rise in judicial recognition of employer ownership of employee creations.<sup>140</sup> Initially, the ownership inquiry rested on the nature of the employment relationship and its contractual terms.<sup>141</sup> In the absence of an express employment agreement, courts looked for implied understandings between the parties in an employment relationship as to whom they intended to own the copyright.<sup>142</sup>

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135. 17 U.S.C. §§ 101, 102(a).

136. *Feist Publ’ns, Inc. v. Rural Tel. Servs. Co.*, 499 U.S. 340, 345 (1991).

137. 17 U.S.C. § 106.

138. See generally Mario Biagioli, *Genius Against Copyright: Revisiting Fichte’s Proof of the Illegality of Reprinting*, 86 NOTRE DAME L. REV. 1847, 1847–67 (2011) (explaining the origins of this idea in the law); Catherine L. Fisk, *Authors at Work: The Origins of the Work-for-Hire Doctrine*, 15 YALE J.L. & HUMAN. 1, 12, 67–68 (2003) (discussing the importance of the role of the idea of “[t]he romantic conception of authorship as the expression of creative individual genius” in the development of copyright law).

139. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 (1903) (emphasis added).

140. Fisk, *supra* note 138, at 68.

141. *Id.* at 50–54.

142. *Id.* at 47–55.

Like the trade secrets law analyses, these were highly fact driven and, therefore, flexible. For example, in one case, a court granted copyright in a star catalogue to the observatory director who compiled it rather than to the college that employed him.<sup>143</sup> Of key importance to the court was the fact that the college did not pay him a “reasonable salary,” which the court interpreted as indicating that it intended for him to undertake his own independent work as part of his compensation.<sup>144</sup> On the other hand, a court in another case granted copyright to a corporation, rather than the employee who executed the work, because its “money paid for the painting; its artist colored it; its president designed it, [and the company’s president] was the ‘originating, inventive, and master mind.’ ”<sup>145</sup>

The early twentieth century saw the roots of the work-made-for-hire doctrine. After the turn of the century, courts increasingly granted employers copyrights in employee-made works purely by virtue of the existence of an employment relationship, without inquiring on a case-by-case basis into the nature of that relationship or the parties’ expectations.<sup>146</sup> The 1909 Copyright Act codified this approach,<sup>147</sup> and the Copyright Act of 1976, still in force today, refined it into the work-made-for-hire doctrine.<sup>148</sup> The 1976 Act differentiated between works created by employees and those created by independent contractors.<sup>149</sup> Copyright ownership vests in an employer, rather than an employee-creator, if (1) the work is made by an employee as “part of the scope of his employment” or (2) in the case of independent contractors, the work falls into one of nine enumerated categories and there is a written contract manifesting the parties’ intentions to create a work made for hire.<sup>150</sup> Under the work-made-for-hire doctrine, the rights that inure to an employer are those of actual authorship, not merely of an assignment of copyright.<sup>151</sup> In other words, in the eyes of the law, the employer is the author, and the employee has no rights to the work, not even of attribution.

By setting a strong default in favor of employers, codification of the work-made-for-hire doctrine would seem to obviate the need to

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143. *Peters v. Borst*, 9 N.Y.S. 789, 798 (N.Y. Special Term 1889).

144. *Fisk*, *supra* note 138, at 52–53 (citing *Root v. Borst*, 36 N.E. 814, 814 (N.Y. 1894)).

145. *Schumacher v. Schwencke*, 25 F. 466, 468 (C.C.S.D.N.Y. 1885).

146. *Fisk*, *supra* note 138, at 60–62.

147. Copyright Act of Mar. 4, 1909, ch. 320, § 62, 35 Stat. 1075 (1909).

148. Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101 *et seq.* (2012)).

149. *Id.* at § 102.

150. *Id.* at § 101 (emphasis added).

151. *Id.*



examine the employment relationship. However, it instead shifted the question to defining "employee," prompting courts to experiment with a number of tests for examining employment relationships on an ad hoc basis.<sup>152</sup> In *Community for Creative Non-Violence v. Reid*, the Supreme Court rejected rigid tests in favor of a flexible agency analysis that considered factors such as:

the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party.<sup>153</sup>

While copyright law does not settle the question of rights to social media contacts, the history of how it resolved an issue with similar tensions is telling. In developing a way to reconcile individuals' "flashes of creative genius" with the interests of their employers, courts initially examined the nature of a given employment relationship to uncover the implied intents of the parties.<sup>154</sup> Even with a statutory presumption that favors employer ownership of works, courts still rely on common law agency principles and examine the precise nature of a given relationship when it is unclear whether the creator is an "employee" or not.<sup>155</sup>

## 2. Patents

Patent law offers another example of the law reconciling personal creation with employer interests. It incentivizes progress by offering an inventor the right of exclusion over his invention for a limited period if the inventor meets certain statutory requirements, including public disclosure of the invention.<sup>156</sup> Similar to copyright's conception of the author, patent law sees an invention as "the product of original thought"<sup>157</sup> of the inventor who acts "in an individual flash of genius."<sup>158</sup> The status of the individual creator is perhaps even stronger in patent law than in copyright law: while the copyright

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152. *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 738-39 (1989).

153. *Id.* at 750-52 (citing RESTATEMENT (SECOND) OF AGENCY § 220(2) (1958)).

154. See *Root v. Borst*, 36 N.E. 814, 814 (N.Y. 1894); *Schumacher v. Schwencke*, 25 F. 466, 468 (C.C.S.D.N.Y. 1885).

155. See *Cnty. for Creative Non-Violence*, 490 U.S. at 750-52.

156. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 476-77 (1974).

157. *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 188, *amended by* 289 U.S. 706 (1933).

158. *Burk*, *supra* note 86, at 16.

regime acknowledges corporate employers as authors in certain circumstances, courts interpret the patent statute to mean that *only* natural persons can invent.<sup>159</sup> Furthermore, the patent statute does not have anything equivalent to copyright's work-made-for-hire provision.<sup>160</sup> Inventors may, and frequently do, transfer ownership of their inventions to corporate entities, but they cannot assign away their rights of attribution, unlike creators of copyrighted materials under the work-made-for-hire statute.<sup>161</sup>

Just like copyright law, the process of invention had to respond to changes wrought by the industrial revolution and rise of corporations. These implicated the sometimes disparate interests of employers and employees.<sup>162</sup> Patent law's resolution of this tension, which drew on common-law agency principles, echoes that of copyright law, though it has remained uncoded. There are two main situations in which an employer may obtain rights to an employee's invention.

In the first, an employer hires an employee whose duties the parties agree, either expressly or impliedly, entail making an invention or developing a method to solve a particular problem. In this case, the "hired-to-invent" doctrine applies, and ownership of the patent transfers to the employer<sup>163</sup> consistent with contract law's quid-pro-quo: an invention for consideration of a salary.<sup>164</sup>

As the hired-to-invent doctrine has developed, courts have grappled with what to do when an employment agreement does not expressly provide that an employee was "hired to invent." To determine whether it is appropriate to imply such a term of employment, courts examine the employment relationship at the time of invention<sup>165</sup> and, in particular, the specificity of the task assigned to

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159. See Sean M. O'Connor, *Hired to Invent vs. Work Made for Hire*, 35 SEATTLE U. L. REV. 1227, 1238 (2012); see also *Dubilier*, 289 U.S. at 187 (stressing that courts recognize "the peculiar nature of the act of invention . . . [i]t is the result of an inventive act, the birth of an idea . . . the product of original thought . . ."); Hill, *supra* note 76.

160. 35 U.S.C. §§ 1-390 (2012).

161. David Loretto, *Employee Patents on Computer-Implemented Inventions: The Conundrum of Separate Ownership of Patent and Copyright*, 23 CARDOZO L. REV. 705, 716-17 (2002).

162. *Intellectual Property Issues in the Employment Setting*, 120 INTELL. PROP. COUNS. ART. 1 (2006) ("[A] significant number of all inventions are created by employed inventors."). For a seminal case on the hired-to-invent doctrine, see *Solomons v. United States*, 137 U.S. 342 (1890).

163. Loretto, *supra* note 161, at 715-16.

164. *Dubilier*, 289 U.S. at 187 ("One employed to make an invention . . . has only produced that which he was employed to invent . . . . A term of the agreement necessarily is that what he is paid to produce belongs to his paymaster."); Paul M. Rivard, *Protection of Business Investments in Human Capital: Shop Right and Related Doctrines*, 79 J. PAT. & TRADEMARK OFF. SOC'Y 753, 754-55 (1997).

165. *Banks v. Unisys Corp.*, 228 F.3d 1357, 1359 (Fed. Cir. 2000) (citations omitted).

the employee that resulted in the invention.<sup>166</sup> Employment merely to perform research or to create an unspecific product that addresses a general issue is too broad to imply a term of assignment to the employer.<sup>167</sup> On the other hand, if the company hired the employee to resolve a particular "problem" by achieving a particular result or to help develop a product and an invention resulted, the court will consider the employee as having been "hired to invent."<sup>168</sup>

Two seminal cases on the hired-to-invent doctrine illustrate this point. In *Standard Parts*, a principal of the plaintiff company knew the defendant both personally and professionally.<sup>169</sup> The parties entered a contract under which the defendant would develop a machine and process "for the production of the front spring now used on the product of the Ford Motor Company" in return for a stipulated payment.<sup>170</sup> When they disputed ownership of the patent to the resulting invention, the Supreme Court held that it rightfully belonged to the employer.<sup>171</sup> The Court looked to the language of the contract, which it said expressly identified a specific invention for which it promised adequate compensation.<sup>172</sup>

On the other hand, in *Dubilier*, the Court held that an employee who oversaw a division tasked with a number of design projects that all related generally to "airplane radio" was not obligated to assign his invention to his employer.<sup>173</sup> In that case, the Bureau of Standards undertook forty-four research projects on behalf of the Air Corps of the Army, six of which were assigned to the radio section.<sup>174</sup> In the course of working on the projects, two employees began experimenting with an idea that, although related to radio technology, did not address the research projects they were assigned.<sup>175</sup> They developed and reduced these ideas to practice at their own expense, and while they worked on them at their employer's laboratory, they

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166. DONALD S. CHISUM, CHISUM ON PATENTS § 22.03 (1997).

167. *Id.*

168. *See, e.g.,* *Standard Parts Co. v. Peck*, 264 U.S. 52, 59 (1924) (finding that defendant had been hired to invent when the employment contract stated that he would "devote his time to the development of a process and machinery" to resolve a particular problem and that the plaintiff would pay him in return for his efforts).

169. *Id.*

170. *Id.*

171. *Id.* at 59-60.

172. *Id.*

173. *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 184, 208-09, *amended by* 289 U.S. 706 (1933).

174. *Id.* at 184.

175. *Id.* at 184-85.

did so with their supervisor's knowledge and approval.<sup>176</sup> The Court noted that the patent regime differentiates between an inventive idea and its embodiment and stressed that patent law protects the former.<sup>177</sup> Therefore, unless the employer contracts with its employee specifically for the former, the employee retains her right to it.<sup>178</sup>

The second scenario giving an employer rights to an employee invention occurs in cases, like *Dubilier*, in which the employer has an interest in the invention even though the employment relationship is not specific enough for a court to assign the patent to the employer. An employer may hire an employee for general employment in a field, and the employee may then invent something within that field. The circumstances of employment may give the employer an interest in the invention, for example, if it relates to the field of employment or was developed with the employer's resources. In such cases, the inventor owns the patent while the employer receives a "shop right": a nonexclusive, nontransferable, royalty-free license to use the invention in the business.<sup>179</sup> Essentially, the employer can use the invention in the course of running the business, even after termination of employment, without the risk of an infringement suit and without paying a royalty. However, the employee retains ownership of the patent itself and its attendant rights, including the right to exclude all others from using it.<sup>180</sup>

The shop-right rule rests on doctrines of implied contract, estoppel, and equity.<sup>181</sup> These rationales are not mutually exclusive; courts' determinations of whether a shop right exists depend on which doctrine they afford the most weight.<sup>182</sup> The implied contract theory stresses whether, and to what extent, the employee made use of the employer's time and/or materials in the invention.<sup>183</sup> Based on estoppel, courts consider whether the employee somehow manifested consent to the employer's use of the invention.<sup>184</sup> The equity rationale is based on an interest in fairness to the employer, since the employee

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176. *Id.* at 185.

177. *Id.* at 188.

178. *Id.*

179. *Id.* at 179–88; Burk, *supra* note 86, at 16; Loretto, *supra* note 161, at 717.

180. *See Dubilier*, 289 U.S. at 189.

181. Burk, *supra* note 86, at 16; Loretto, *supra* note 161, at 720–23; Scott P. Sandrock, *The Evolution and Modern Application of the Shop Right Rule*, 38 BUS. LAW. 953, 965–68 (1983).

182. Rivard, *supra* note 164, at 762 ("The shop right is . . . a common law right, having its roots in each of these doctrines, which attaches whenever the circumstances demand it.").

183. Sandrock, *supra* note 181, at 966.

184. Loretto, *supra* note 161, at 721.

developed the invention "us[ing] his master's time, facilities and materials . . . ." <sup>185</sup>

Courts look to the nature of the employment relationship and the actions of the parties to determine whether there was an exchange amounting to consideration.<sup>186</sup> The Federal Circuit has adopted a fact-specific inquiry that considers the "totality of the circumstances," in light of "principles of equity and fairness"<sup>187</sup> and, in particular, "the circumstances surrounding the development of the patented invention and the inventor's activities respecting that invention, once developed."<sup>188</sup> In general, a shop-right inquiry examines "whether the invention relates to the duties of the employee, . . . falls within the scope of the employer's business, and . . . was created with materials supplied by the employer or was developed during working hours."<sup>189</sup> The standard factors courts consider are: (1) whether the employee made unreimbursed use of the employer's facilities in perfecting the invention, (2) whether the invention was made on company time, and (3) whether the employee consented or acquiesced in the employer's use of the invention.<sup>190</sup> Thus, in *Dubilier*, the employer was entitled to a shop right in the invention because it related to airplane radio technology, the field of employment involved, and had been developed using the employer's laboratory resources.<sup>191</sup>

In sum, although copyright and patent law methods of allocating original rights of authorship and invention diverge, when allotting rights between employers and employees, they have followed similar paths and reached similar conclusions. When courts first began granting copyrights to employers, they did so based on an examination of the employment relationship at issue and looked for an implied understanding between the parties regarding ownership, including whether the employee received adequate consideration for copyright to vest in an employer. Even after the codification of the default rule in favor of employers, courts continue to examine some employment relationships on a case-by-case basis, using agency law principles to determine whether a creator is an "employee" under the

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185. *Dubilier*, 289 U.S. at 188-89.

186. See Loretto, *supra* note 161, at 720 ("[T]he actions of both employee and employer are examined to determine whether they lead to the conclusion that the employee allowed the employer to use the invention in exchange for assistance from the employer . . .").

187. *McElmurry v. Ark. Power & Light Co.*, 995 F.2d 1576, 1581-82 (Fed. Cir. 1993).

188. *Dubilier*, 289 U.S. at 188-89.

189. Burk, *supra* note 86, at 16; see also *Dubilier*, 289 U.S. at 188.

190. GREGORY E. UPCHURCH, IP LITIGATION GUIDE: PATENTS & TRADE SECRETS § 14:40 (2003).

191. *Dubilier*, 289 U.S. at 188-89.

statute. The shop-right analysis often resembles the pre-work-made-for-hire doctrine analysis in its examination of a particular employment relationship, including whether there was adequate compensation. Indeed, two of the factors of the standard shop-right analysis, whether an employee made unreimbursed use of the employer's facilities and whether the employee developed the invention on company time, overlap with the work-made-for-hire agency factors that inquire into the source of materials and the location of the work.

#### IV. A PATENT SOLUTION TO SOCIAL MEDIA CONTACTS

As previously discussed, the trade secrets law framework that most courts confronted with this question have used provides an incomplete solution to this problem.<sup>192</sup> Among this framework's shortcomings, it requires difficult determinations regarding whether contacts were secret, whether they have independent value, and whether a duty existed to keep them secret. In addition, social media contacts only qualify as trade secrets if a particular jurisdiction does not define "secret" literally but instead considers the length and complexity of the contact list. Finally, a claim for misappropriation of trade secrets requires that there was a duty to maintain the secrecy of the information. Due to the nature of social media accounts, it is not always clear whether such a duty exists.

Drawing on the law's previous resolutions of similar tensions when confronting new technology provides a way to avoid these difficulties. By design, patent and copyright law protect creations that, like social media account followers, are available to the public. Each has also called on agency law to determine rights as between an employer and employee while maintaining their regime's incentive structures. Copyright law's work-made-for-hire doctrine requires a fact-sensitive examination into whether the author of the work is an employee. Patent law's inquiry into whether an employee was hired-to-invent and its shop-right rule provide a fact-based analysis of the employment relationship. Both of these approaches accommodate the variety of uses that individuals and firms make of social media accounts. In particular, patent law's solutions provide a template for how to proceed once the analysis of parties' rights is complete. These solutions protect both the personality of the individual creator as expressed in his flash of creative or inventive genius and the

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192. *Supra* Part III.A.

investment and expectations of the employer who provided the platform, time, and opportunity to realize that genius.

Therefore, following the shop-right and hired-to-invent doctrines can resolve the question of rights to social media followers. An inquiry analogous to that used in patent law to determine whether to apply the hired-to-invent doctrine or the shop-right rule can be used to determine the nature of the employment relationship with regard to the social media account. If a court finds that the employee is in a position analogous to that of an employee hired to invent, the employee's rights to access the account to communicate with its contacts would terminate with her employment. Since an account's contacts are publicly available, this would not prevent the former employee from reaching out to the account's contacts on her own. However, actually rebuilding the list would likely be a long and tedious process given the number of social media contacts many company accounts have. Furthermore, this would be no different from what the employee would do at her new employment anyway: seek out and contact social media users likely to be interested in the company.

If circumstances exist that would grant an employer a shop right in an analogous patent situation, the employer would have access to the contacts for purposes of furthering the business both during and after the employee's term of employment. However, the employee should have ultimate control of the account and retain access to it and its contacts after her employment ends, while the former employer's ability to access the account to communicate with its contacts should terminate. Social media accounts cannot be duplicated or their contacts copied from one account to another. Therefore, as a practical matter, when an employee terminates employment, the employer should be able to notify the account's followers of that fact and provide them with information about how to remain a contact of the employer.

In importing the hired-to-invent and shop-right doctrines to resolve the issue of social media accounts, the different policy issues at stake should be considered. The patent regime is carefully designed to encourage invention that will benefit the public at large. Therefore, the system counterbalances the weight afforded the individual flash of genius with incentives to employers who are in the position to invest resources in developing those inventions. Social media accounts and their followers simply do not carry the same stakes. Social media do undoubtedly offer enormous benefits to business in facilitating publicity, advertising, and communication with the public. While they also offer benefits to the public, these are not as far-reaching as the telegraph, an herbicide-resistant plant, or a cancer drug, innovations

of the kind that the patent regime protects. In addition, while these all take enormous time and resources to create, social media accounts are free and user-friendly. Considering these lower stakes, there is less reason or need to offer incentives to employers to invest in social media. Therefore, the analysis should take care not to blindly follow the patent system and to bear in mind that employers will likely continue to invest in social media accounts and employees to manage them regardless of the legal incentives.

#### *A. Hired-to-Invent in Social Media*

Patent law's hired-to-invent doctrine would apply in the social media context when a company hires someone specifically to manage its social media accounts. As in the patent context, this would satisfy the contractual quid pro quo: maintenance of a creative social media presence in exchange for compensation. It would also preserve the incentive structure: employees' compensation would serve as incentive to continue to maintain the social media account, and give employers assurance that employees would not use social media accounts, and the access to followers that they provide, to compete with employers when they leave. In turn, this would encourage employers to invest in effective, creative social media.

This would apply to the scenario in *PhoneDog*. Though the precise terms of Kravitz's contract were not enumerated during litigation, it is clear that he had been hired as a "product reviewer and video blogger"<sup>193</sup> and that he maintained a Twitter account bearing both PhoneDog's and his names to which he posted his reviews.<sup>194</sup> He used his expertise about mobile technology along with his personal style and opinions to attract followers to PhoneDog, and though his posts may have had a personal tone and content, the account's purpose was ultimately to attract new customers and produce advertising revenue for PhoneDog.<sup>195</sup> The necessary quid pro quo was present to satisfy the hired-to-invent doctrine: PhoneDog provided Kravitz compensation in exchange for his efforts at attracting new followers and maintaining the Twitter account. Applying the patent framework here would bypass the difficult and slippery trade secrets analysis. The court would not have to grapple with whether a public list could be considered "secret" by virtue of containing seventeen

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193. *PhoneDog v. Kravitz*, No. C 11-03474 MEJ, 2011 WL 5415612, at \*1 (N.D. Cal. Nov. 8, 2011) (*PhoneDog I*).

194. *Id.*

195. *See PhoneDog I*, 2012 WL 273323 at \*2.



thousand names. Nor would it have to determine whether the value of the contacts derived independent value based on that secrecy, let alone what that value was.

Just as in the patent context, the hired-to-invent analysis would prove more complicated in situations in which it is less clear whether an employee's compensation covered her involvement with social media. Therefore, when there is a written contract, courts should look to the specificity of the tasks assigned as the Court did in *Standard Parts*. If there is not a written contract, courts should look to the nature of the employment relationship itself, as in *Dubilier*.

For example, in *Christou*, the precise contours of Roulier's duties with regard to the MySpace accounts were not clear from the available facts. Roulier worked for Christou as a talent buyer and helped to book DJs for Christou's clubs,<sup>196</sup> and Christou alleged that Roulier was also paid to assist in maintaining Christou's clubs' MySpace pages.<sup>197</sup> If that allegation were true and Roulier's compensation was intended to cover his attention to the MySpace account, then the hired-to-invent framework would apply. To determine that, a court would have to look closely at the nature of the employment relationship and what both parties' expectations were in entering it. A court might consider on whose initiative the accounts were created—whether Christou, someone else in charge of the clubs, or Roulier himself. It might also consider whether other employees also had access to and regularly maintained the accounts and whether Christou regarded the accounts as a business tool.

### *B. Shop Rights to Social Media Accounts*

The shop-right scenario would apply in cases in which employees use social media in connection with their employment, even though their duties do not expressly, or even impliedly, include maintaining social media accounts. This would include scenarios in which employees have pre-existing personal social media accounts to which they actively and regularly post work-related information, such as a real estate broker who systematically posts status updates about upcoming open houses, or a retail clerk who frequently tweets about new inventory or upcoming sales. Their social media use would not be the reasons for which these individuals were hired, but, like in *Dubilier*, it would relate to their work, possibly resulting in business

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196. *Christou v. Beatport, LLC*, 849 F. Supp. 2d 1076, 1062 (D. Colo. 2012).

197. Complaint and Jury Demand at ¶ 128, *Christou v. Beatport, LLC*, 849 F. Supp. 2d 1055, 1062 (D. Colo. 2012) (No. 10-cv-02912-RBJ-KMT).

for their employers, and would use the employers' resources, particularly in the form of time. The shop right would also apply to cases in which employees who are strongly identified with their companies, such as high-ranking executives, use social media only incidentally to their employment, for example, a company executive who maintains a personal Facebook account or has a LinkedIn account listing his or her complete work and educational history.

Given the nature of digital social media, the first shop-right factor, unreimbursed use of the employer's facilities, would entail both tangible and intangible facilities. Factors will necessarily vary widely across industries, as they do in the patent context. Generally, courts might consider the frequency with which employees access the account from a work computer as opposed to a personal computer. Courts can consider whether, and to what extent, employees used their company's trademarks, website links, or copyrighted material in their social media accounts. Factors unique to social media would also come into play. For example, courts can consider whether the account name references the employer, as did the Twitter handle in *PhoneDog*.<sup>198</sup> Such a reference would suggest that a contact's interest in the account is based, at least in part, on the employer.

This prong of the shop-right analysis would more neatly resolve a primary concern of courts that have addressed this issue and one that trade secrets law has struggled to accommodate: resource investment. The *PhoneDog* court emphasized that Kravitz's Twitter account had seventeen thousand contacts, represented a significant investment of time and resources, and would take considerable effort to replicate. The *Christou* court similarly emphasized the "money, time, and resources"<sup>199</sup> that Christou had expended in developing the list, as well as the fact that replication would require contacting thousands of people, not all of whom would necessarily agree to connect.<sup>200</sup> Both of these courts considered these facts under the secrecy prong of the trade secrets analysis, despite the fact that the lists of contacts were literally public. Adopting the hired-to-invent and shop-right analyses would allow courts to consider these facts as an investment of resources instead of forcing them into an ill-fitting secrecy model.

The second shop-right factor, whether the invention was made on company time, should consider both the particular employment context and the fact that, unlike copyrightable works or patentable

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198. *PhoneDog I*, 2012 WL 273323, at \*4.

199. *Christou*, 849 F. Supp. 2d at 1076.

200. *Id.*

inventions, social media accounts are accessible at any time, on or off the clock. For example, a nine-to-five employee who regularly posts content to an account during business hours uses employer resources, which would weigh in favor of a shop right. If the same employee instead maintains the account primarily outside of those hours, it would indicate that the account was for primarily personal use. In addition, this would not represent an investment of the employer.

Some employees are so closely associated with their occupations that it is hard or impossible to dissociate them from their professional identities or to say that they ever are “off the clock.” This would likely be the case with a company executive high enough in rank to owe fiduciary duties. For example, Sonya Soutus, Senior Vice President of Public Affairs and Communications at Coca-Cola, tweets both about her company and her personal life.<sup>201</sup> In such a case, the court should rely less heavily on this factor or disregard it altogether.

The social media context also influences the final shop-right factor, consent to the employer’s use. Here again, using the employer’s name on the account could signal consent, as could use of the employer’s trademarks, copyright, or links to its website. Another consideration should be whether the employee regularly posts material about the employer or material that the employer encourages her to post, as this would strongly indicate the employee’s consent to use the account on behalf of the employer. This would be a particularly strong indicator of consent in the case of a social media site such as LinkedIn, whose terms of service stipulate that individual users have ownership rights to their own accounts.<sup>202</sup> If the employee gives the employer the password to an account that the employee started, as in *Eagle*,<sup>203</sup> this should weigh even more strongly in favor of granting a shop right, since it directly manifests the employee’s willingness for the employer to use and control the account. Additionally, if the employee does not actually give the password but does allow the employer to exercise control over it (for example, by reviewing its content and providing templates, as in *Eagle*),<sup>204</sup> this would also indicate consent.

If there is sufficient basis for a shop right, both the employer and the employee should have access to the contact list before and after employment ends. Since at least some followers would have

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201. See Argento, *supra* note 1, at 219–220.

202. *User Agreement*, *supra* note 44.

203. *Eagle v. Morgan*, No. 11-4303, 2011 WL 6739448 at \*4 (E.D. Pa. Dec. 22, 2011) (*Eagle*).

204. *Id.* at \*3.

followed the account based on interest in the company, the company should be able to maintain these connections after the employee departs. On the other hand, since an employee's personal expression, attributes, and creativity play as important a role in attracting social media contacts as in the process of invention, the employee should also be able to have continued access to the contact list after employment ends. Moreover, individual social media users have the discretion to create or sever connections with other users. If followers are only interested in an employer's company, they can cancel their connection to an employee's account should that employee leave the company.

In practical terms, the employee would maintain direct access to the account and its followers, while the employer's access would terminate. Before the employee leaves, the employer could obtain a list of the account's followers and contact each of them. Alternatively, the employee could post a message on her account informing her followers of her new employment and how to stay connected to her former employer.

Applying this analysis to the hypothetical in Part I would result in the departing employee owning the account and the company retaining a shop right to it. It is conceivable that the employee would have updated social media accounts using a company computer and that she would have used any trademarks the company might have had. Given that she was a founding member of the company, the second factor, creation during work hours, would be less relevant. This employee would be similar to Sonya Soutus in that her high-profile role in the company would identify her with it so strongly that it would be difficult to say that she was ever actually "off the clock."

Social media shop rights would also apply to the circumstances in *Eagle v. Morgan*. In that case, Linda Eagle created her LinkedIn account on her own initiative but soon used it to promote Edcomm. Eventually, Edcomm actively encouraged all its employees to use LinkedIn to promote the business and provided guidelines on doing so.<sup>205</sup> Thus, Eagle's personal profile, like that of any Edcomm employee, reflected her personal achievements and could be used to further her own career. On the other hand, Edcomm manifested its interest in the accounts of Eagle and all of its employees by encouraging them to maintain such accounts. Moreover, providing employees with instructions on how to do so indicates use of firm resources in creating the accounts. Furthermore, the fact that Eagle gave Edcomm the password to her account strongly indicates her

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205. *Id.*

consent for Edcomm to use her account on its own behalf. Thus, under a shop-right analysis, Edcomm would have been able to continue to use the list of contacts after Eagle left the company, while Eagle would retain ownership and control of the account itself and the followers associated with it, unless they themselves chose to terminate the connection.

In *Eagle v. Morgan*, these factors would grant Edcomm a shop right in Eagle's LinkedIn account. In that case, most employees came to Edcomm with existing LinkedIn accounts, which they had presumably created on their own to support their personal professional development.<sup>206</sup> Edcomm provided them with a company template to use and encouraged them to post a link to Edcomm's information on their individual profiles.<sup>207</sup> Therefore, it is possible that some of Edcomm's LinkedIn contacts discovered the company via Edcomm employees' profiles. Furthermore, their employees would likely have used work computers to add the Edcomm information to their profiles and have done so on the clock. Finally, doing so would demonstrate the employees' consent to let Edcomm use their accounts for its benefit.

## V. CONCLUSION

Social media present many new problems that cause the legal community to struggle to adapt existing legal rules to their unique demands, at least in the absence of an employment contract or policy that addresses them. One little-explored example is rights to social media contacts. Due to the unique nature of social media accounts and the different ways that businesses and their employees use them, they blur their users' personal and professional identities. As a result, both the employee and the employer frequently maintain concurrent, and often competing, interests in access to the account's followers. Though trade secrets law, with its relatively flexible schema, intuitively appears to offer a promising method to deal with this issue, it ultimately proves inadequate to address the unique problems posed by social media. Examining how copyright and patent law have previously resolved similar tensions reveals the utility of importing patent law's shop-right and hired-to-invent analyses into the social media context. When this analysis shows that maintaining the account was specifically included in the employee's compensated duties, either explicitly or impliedly, the employer should have the

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206. *Id.* at \*3-8.

207. *Id.* at \*3.

right to the account and its contacts as against the employee. In addition, a shop right should inure to an employer that has a strong interest in the account and its followers as long as the situation would satisfy that doctrine's underlying theories of contract law, estoppel, and equity.

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